

Results of market study by QSD association

Language Services in Germany 2020

a guide for industry professionals

**Important: Extract of
the marked study**



Qualitätssprachendienste Deutschlands e.V.



The Association "Qualitätssprachendienste Deutschlands (QSD) e.V." was founded in the spring of 1998.

QSD e.V. has brought together quality-conscious translation companies with their own audited quality assurance systems certified according to DIN EN ISO 9001 or ISO 17100, or proven quality assurance in line with the QSD quality guidelines.

The members of QSD as a whole play an important role in the German translation market.

36
members

720+
combined
staff

Close to €90
million combined
revenue

Mission: enhance
the reputation
of the sector,
represent the
industry

EUATC member

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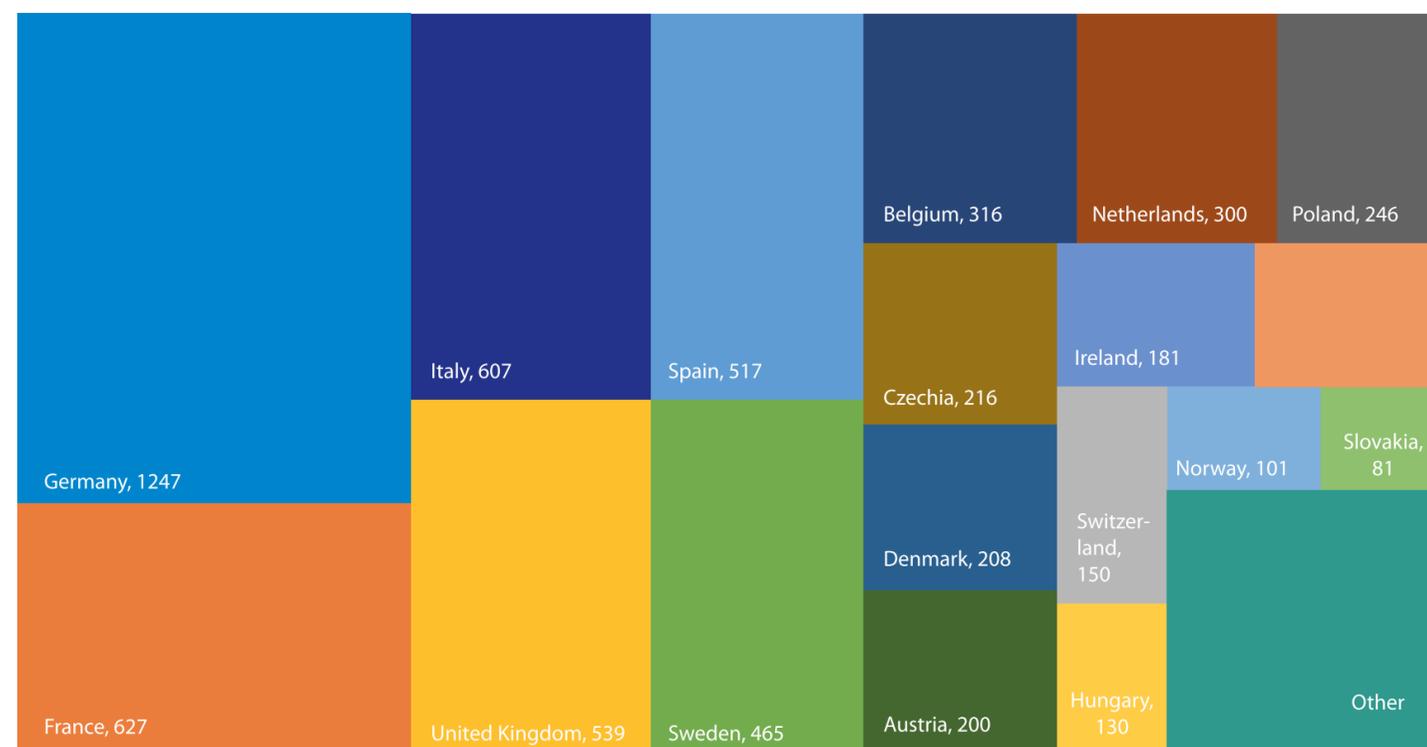
Running a language business

Company profiles

The market

€1.25 bn: the largest EU market

Eurostat 2017 data + estimates, in € million



According to the fiscal data aggregated by Eurostat, LSPs in Germany generated over €1.25 billion in sales of translation and interpreting services, or about 19% of the EU market overall.

The only countries in the world that can produce similar volumes are the United States, China, and Japan.

Despite this immense opportunity, Germany has not produced a single LSP with a revenue over €100 million.

Germany: a key market

Germany is the most important market for language services and technology in Europe. It is the largest in revenue, and it is from here that many of the cornerstone translation technologies used everywhere around the world originate.

The language cluster in Germany is responsible for more than 25,000 diverse, knowledge-based jobs – from innovation in language AI to supporting German exports globally.

This market is on the cusp of transformation. This year, it is feeling the effects of the COVID crisis – with some businesses reeling and others seeing a record amount of work. In the next three years, it will consolidate at the top, shift towards more language services for the IT sector, and will witness rapid digitization of the Mittelstand, the medium-sized businesses that make up the core of the industry.

We are honored to identify, measure, and highlight these trends as they begin to unfold.

QSD contribution

In 2020, Qualitätssprachendienste Deutschlands e.V. conducted a study of the German market that included a survey of over 100 translation and interpreting companies, a series of interviews with business leaders, and a deep dive into the national statistics authority's (Destatis) figures.

Multiple sponsors and media partners supported this effort.

This report contains the study's findings. It is distributed free of charge to everyone who would like to work in Germany and drive the next wave of development for our industry.

Client verticals and sector specialists

“Industry” for the win

The largest customer vertical in the German market is technical translation for manufacturing and automotive companies, defined as “Industry” in the chart.

Life sciences (primarily medical device companies) and software sectors are growth areas.

The distribution in this chart is based on a sample of euro €165 million generated by more than 100 companies. The sample did not include many public sector providers, so the demand from government and municipal institutions is somewhat underrepresented.

Unlike the UK or the Nordics, public sector procurement is not centralized in Germany, and it is common to see self-employed professionals win contracts worth hundreds of thousands or even millions of euros.

Financial and legal - 7%



Marketing - 10%



Localization - 12%

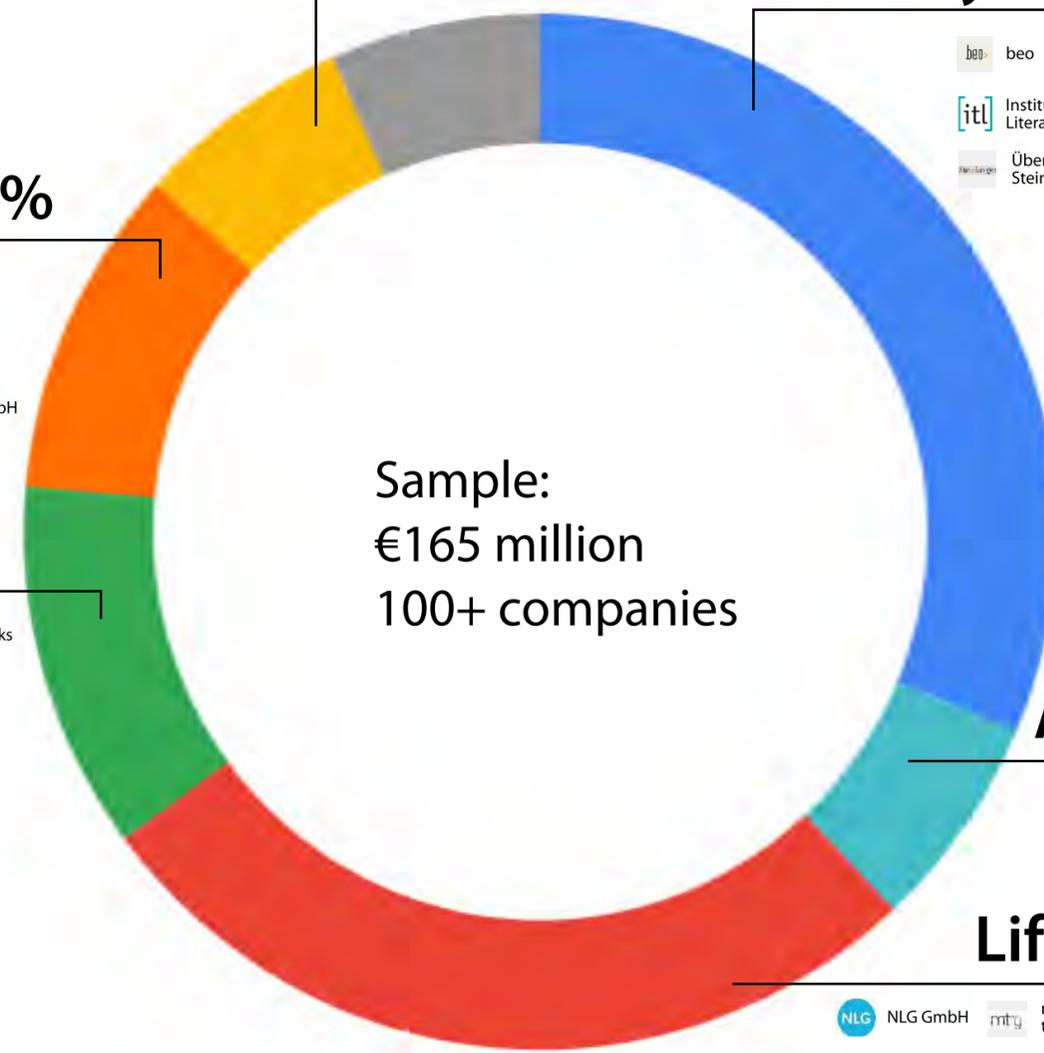


Industry - 31%



Automotive - 7%

Life sciences - 27%

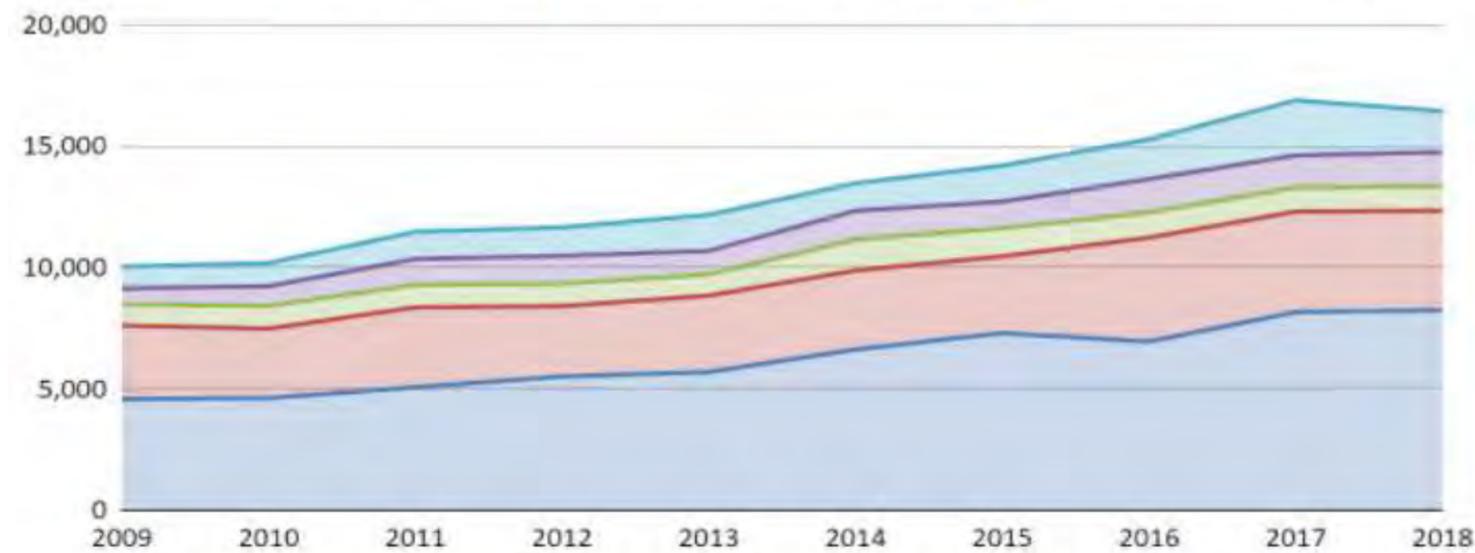


Sample:
€165 million
100+ companies

Source: QSD survey. This chart indicates example companies with a significant business portfolio in the listed vertical

Taxable jobs created: 16,000+

Employment by size, Eurostat data



0 to 1 employee(s)

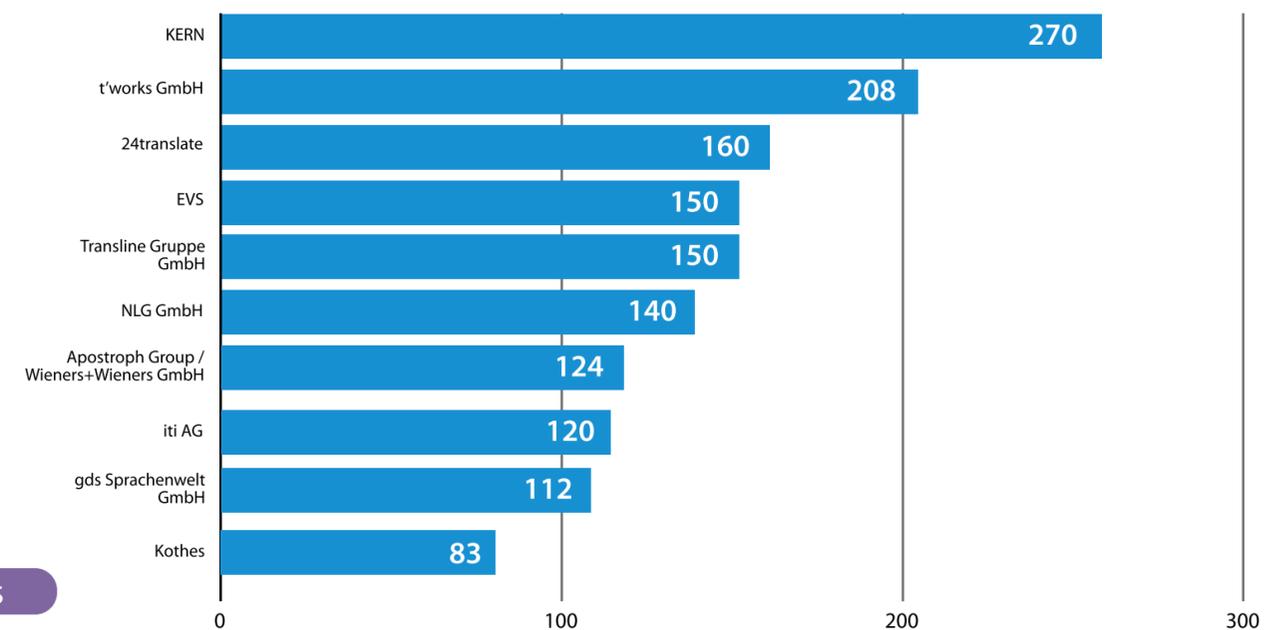
2 to 9 employees

10 to 19 employees

20 to 49 employees

50 to 249 employees

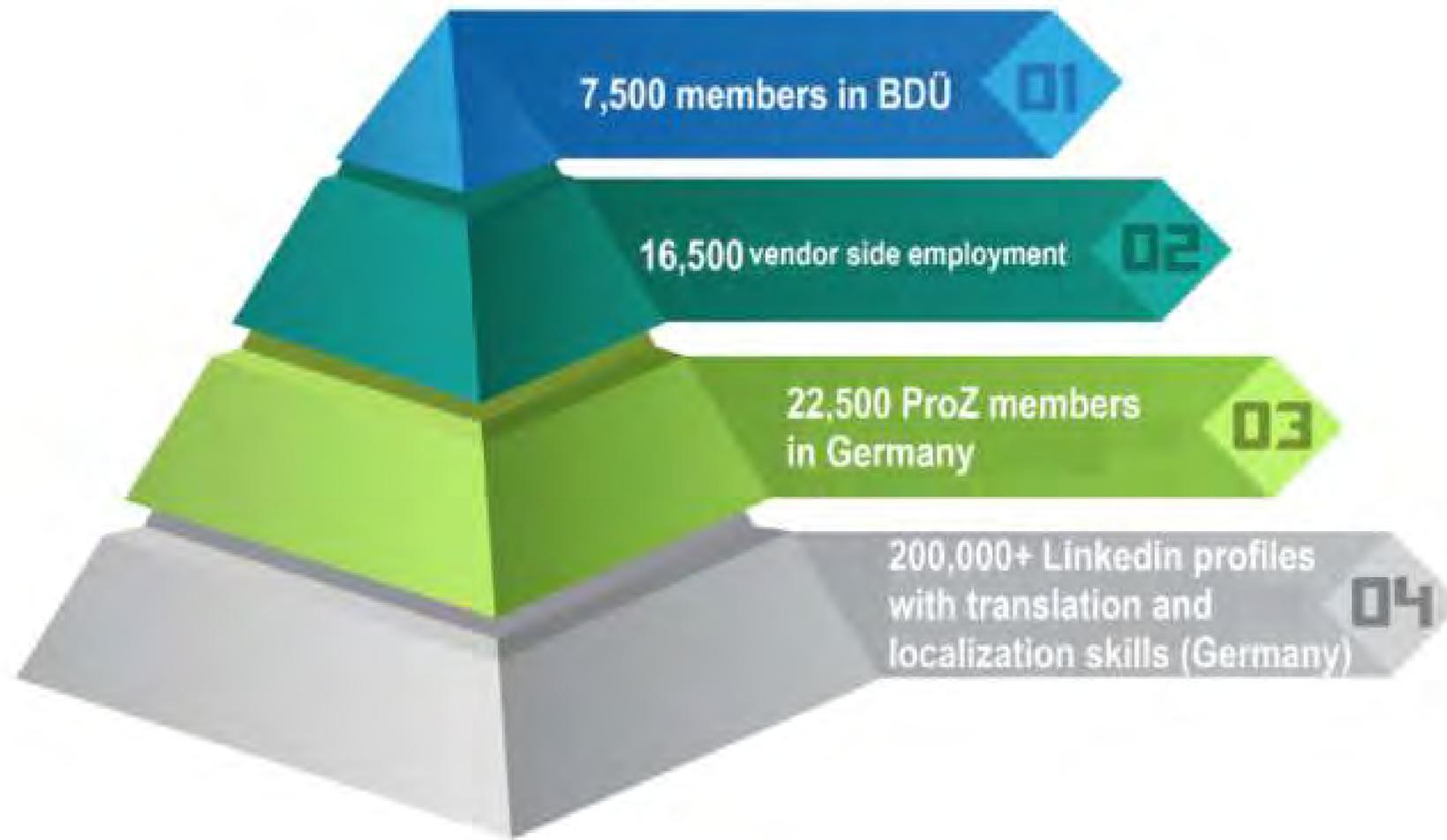
Largest employers, estimated



German translation and interpreting companies employ more than 16,000 professionals. This number has been increasing steadily over the years as the language sector grows in importance and creates more and more jobs. Despite advances in automation, translators have continued to flourish. *There is no sign of AI killing jobs.*

Sector growth feeds thousands of small businesses – and not just a few behemoth enterprises. Over half of the workforce comprise single enterprises, most of which are freelancers. Additionally, close to 5,000 professionals are employed by small companies that have two to nine people on staff.

More than 200,000 language professionals



The 16,000 jobs created by translation companies are just a small part of the whole picture.

Language professionals are employed by enterprises in many different sectors: education, manufacturing, software.

We estimate that there are more than 40,000 people involved in the industry on a regular basis and more than 200,000 professionals in Germany with relevant skills.

Average growth: $\approx 7.1\%$ per year

Sales by company size class, in € million

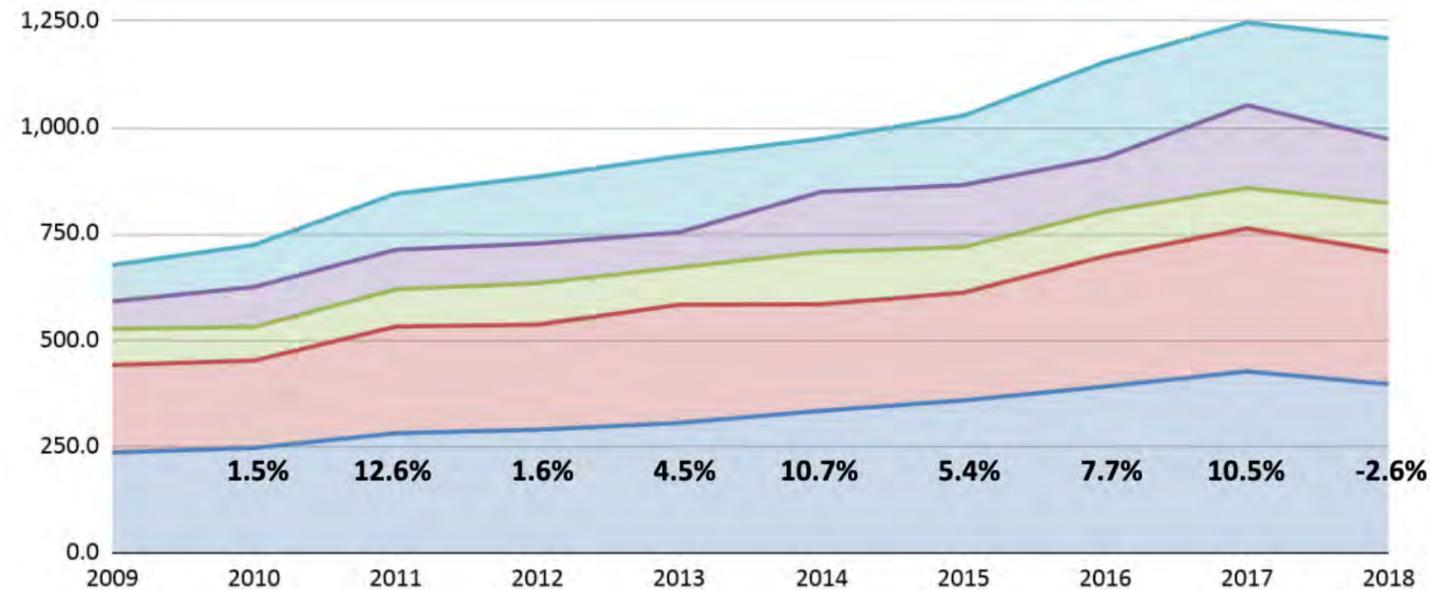
50 to 249 employees

20 to 49 employees

10 to 19 employees

2 to 9 employees

0 to 1 employee(s)



Fiscal data clearly shows strong growth. The market size increased 84% from 2009 to 2017 and has probably doubled over a span of ten years.

Larger firms increased their share of the market over this period of time. Freelancer revenue grew by 68%, and sales at companies with more than 20 employees increased 158%.

Source: Eurostat

Tradition: companies that span generations

ENSSNER ZEITGEIST



Hanns Enssner



Christian Enssner

The translation profession in the Western world dates back 2,300 years to the first major Bible translation. However, the language industry with scalable companies is only 30 to 50 years old. In this stretch of time, Germany has given the world simultaneous interpreting, the first big professional software, the biggest European machine translation provider, and, finally, a few translation companies with such strong family tradition that they have been handed over generation after generation. We are proud to present the stories of two such companies.

Enssner

Enssner translation service in Schweinfurt was founded by Hanns Enssner (Dipl.-Ing., England) in 1946. Due to the company's proximity to industry in Schweinfurt, the orientation towards technical-scientific translation was a given very early on. When the demand for Eastern European languages increased enormously in the early 1990s, the range of services was expanded significantly.

MPÜ GmbH



Heidi Schmid



Kevin Schmid

The second generation of the family business was represented by Elfriede Enssner and her husband; in 1996 their son Christian Enssner took over the management. The company is now managed as a medium-sized company and has been a sister company of the t'works Group since 2018 – a large international language service provider with around 150 in-house translators at ten language hubs in Berlin, Leipzig, Landshut/Geisenhausen, Sheffield, Edinburgh, Mulhouse, Lyon, Utrecht, Verona, and Toronto.

MPÜ

mpü (short for medical and pharmaceutical translations) was founded by Heidi Schmid in 1980 as the first language service provider specializing in medical technology, medicine, pharmaceuticals, and chemistry. Heidi Schmid used to work as a translator in the clinical research department of Merckle/Ratiopharm where she encountered low-quality translations from different LSPs on a daily basis. This motivated her to establish a specialist company.

mpü has weathered a number of storms over the years, with the number of staff going up and down accordingly. To ensure that the company would meet the challenges of a digital future with youthful energy, while adhering to the existing principles, Heidi Schmid passed on operations in 2016, and executive management to her son Kevin in 2020. mpü's partner company orangeglobal (orangeglobal medical globalisation GmbH) was established in 2005 to supplement the services offered with experts in the field of regulatory affairs.

Who's who: the largest companies



€55*

Kern AG

Kern family: Michael, Birte, Manfred and Dr. Thomas Kern

Generalist company with a large network.



€28

Apostroph Group/ Wieners+Wieners

Ulrich Barnewitz, Philipp Meier

*Build-and-buy group with a focus on marketing **backed** by ECM Equity Capital Management.*



€18

NLG

Michael Oettli

Private medical device translation specialist focused on a small number of customers.



€17

t'works

Christian Enssner

*An alliance of LSPs, including Wohanka, Obermaier & Kollegen, Ü-Werk, Enssner Zeitgeist, and text&form; **backed** by AUCTUS Capital Partners.*

* Company sales figures: Public data for 2019, million euros, rounded up

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